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DE RUEHSB #0131/01 0451529
ZNY CCCCC ZZH
P 141529Z FEB 08
FM AMEMBASSY HARARE
TO RUEHC/SECSTATE WASHDC PRIORITY 2485
INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
RUEHUJA/AMEMBASSY ABUJA 1844
RUEHAR/AMEMBASSY ACCRA 1772
RUEHDS/AMEMBASSY ADDIS ABABA 1898
RUEHBY/AMEMBASSY CANBERRA 1175
RUEHDK/AMEMBASSY DAKAR 1532
RUEHKM/AMEMBASSY KAMPALA 1954
RUEHNR/AMEMBASSY NAIROBI 4383
RUEHGV/USMISSION GENEVA 1025
RHEHAAA/NSC WASHDC
RHMFISS/JOINT STAFF WASHDC
RUEHC/DEPT OF LABOR WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RHEFDIA/DIA WASHDC//DHO-7//
RUCPDO/DEPT OF COMMERCE WASHDC
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK//DOOC/ECMO/CC/DAO/DOB/DOI//
RUEPGBA/CDR USEUCOM INTEL VAIHINGEN GE//ECJ23-CH/ECJ5M//

C O N F I D E N T I A L SECTION 01 OF 02 HARARE 000131

SIPDIS

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AF/S FOR S. HILL,
ADDIS ABABA FOR USAU
ADDIS ABABA FOR ACSS
STATE PASS TO USAID FOR E. LOKEN AND L. DOBBINS
STATE PASS TO NSC FOR SENIOR AFRICA DIRECTOR B. PITTMAN
TREASURY FOR J. RALYEA AND T.RAND
COMMERCE FOR BECKY ERKUL

E.O. 12958: DECL: 11/21/2017
TAGS: [PGOV](#) [PREL](#) [ECON](#) [ASEC](#) [ZI](#)
SUBJECT: RBZ GOVERNOR GONO MAKES CASE TO MUGABE FOR
INTERNATIONAL ELECTION OBSERVERS

REF: A) HARARE 88 B) HARARE 85

Classified By: Classified By Amb. James D. McGee for reasons 1.4 (d)

Summary

11. (C) Reserve Bank of Zimbabwe (RBZ) Senior Advisor Munyaradzi Kereke told econoff in a meeting at the RBZ on February 13 that RBZ Governor Gono had recommended in a letter to President Mugabe that he ensure free and fair elections and open the electoral process up to international observers from the US and U.K. He had also advised Mugabe that the RBZ's extraordinary expenditure on fuel, vehicles and other materials for the elections should give the GOZ comfort to open up the election process further. On economic reform, Kereke said far-reaching measures that are planned for after the elections, such as devaluation, would only infuriate the people if introduced now. We see no evidence that Mugabe is considering allowing in international observers and wonder whether Gono and Kereke might be posturing for our favor in a possible post-Mugabe era. End Summary.

Gono Recommends Mugabe Allow International Election Observers

12. (C) Kereke gave econoff a copy of a letter from Gono to President Mugabe, dated February 7, in which Gono recommended inviting regional and international election observers, "including from those countries that may have differences with Zimbabwe." Kereke said Gono had heeded the mbassador's

advice to the Governor (Ref A) in making his recommendation.

More Spending On Election Preparation

13. (C) Gono's letter to Mugabe (post has emailed a scanned copy to the desk) focuses on Zimbabwe's logistical preparedness for the forthcoming elections. While the Zimbabwe Electoral Commission (ZEC) has under-budgeted election expenditures, the RBZ, "in a special dispensation," had taken compensatory measures outlined in the letter; it had built up fuel reserves (100 million liters) exclusively for elections, upped the number of motor vehicles being purchased for logistical election support from 65 to 700, purchased 2,500 computers "from China" for election-related institutions, and purchased 7,000 power generators and 11,000 polling station tents. The letter further stated that, "the high level of preparedness should give Government added comfort to open up the entire elections process."

14. (C) Reiterating Gono's post-election economic priorities, particularly convergence of exchange rates, he explained that devaluation now was out of the question, as the country was "on the verge of an explosion" and such a drastic measure, if introduced now, would infuriate the people. He said the GOZ wanted "a smooth transition, not another Kenya," and would introduce social safety nets after the elections to cushion the shock of reform.

Bad Blood with IMF

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15. (C) Kereke also conveyed Gono's interest in promoting discussion of economic stabilization measures between the RBZ (at Kereke's level) and Embassy officials, as Ambassador had suggested in their initial meeting. Asked by econoff whether the RBZ was also in discussion with the IMF, Kereke painted a picture of "bad blood" between the two institutions. He attributed the most recent falling out to a letter written by Zimbabwe's ambassador to the US Dr. Machivenyika Mapuranga to President Mugabe alleging that Zimbabwe's representative to the IMF Board of Directors had advised him that Gono be fired. Explaining that Ambassador Mapuranga was aligned with the Mujuru faction, Kereke bemoaned the IMF's perceived failure to understand Zimbabwe's factional politics.

Comment

16. (C) Gono and another Mugabe intimate, Nicholas Goche, Minister of Public Service, Labor, and Social Welfare (Ref B), told the Ambassador they were receptive to international election observers and would raise the issue with Mugabe. Whether they were trying to curry favor with us or were sincere, with elections less than two months away it is doubtful international observers would accept an invitation to observe. The European Union has told us it would not come at this point, and we suspect the African Union, the Carter Center, and others, would take the same position. We don't discount the GOZ inviting international observers after candidate nomination day on February 15--knowing that it is too late--and then trying to take credit for the invitation.
MCGEE